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## FISCAL IMPACT REPORT

**SPONSOR** Picraux                      **ORIGINAL DATE** 2/09/2007  
**LAST UPDATED** 3/15/2007      **HB** 384/aHAFC/aSEC/aSFC  
**SHORT TITLE** Higher Ed Accountability Report Faculty Info      **SB** \_\_\_\_\_  
**ANALYST** Moser

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates: HB 572

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

NM Department of Higher Education (HED)

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee Amendment to House Bill 384 as amended clarifies that the pay schedule for part-time faculty is "...subject to legislative appropriation."

#### Synopsis of SEC Amendment

The Senate Education Committee Amendment to House Bill 384 as amended strikes HAFC amendments 2, 3, and 4. The amendment modifies the information to be collected for the annual accountability report by focusing on compensation and benefit data and excluding information regarding:

1. faculty diversity, orientation and evaluation;
2. faculty ethnicity and gender;
3. number of vacant positions posted and percentage of applicants interviewed;
4. percent of faculty receiving an annual performance evaluation that includes a peer review and meeting with supervisor; and,
5. dates and locations of formal orientation sessions.

Additionally, the Amendment establishes a requirement for HED to work with the public post-secondary educational institutions to establish a pay schedule for part-time faculty.

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee Amendment to House Bill 384 removes the appropriation assigned to this Bill and inserts as required information in its annual accountability report to the governor and the Legislature a “plan and budget for salaries, benefits and career track for part-time faculty at public post-secondary educational institutions.”

The Amendment is incorrect in citing line 12 on page 1 for removal of a semi-colon. The reference should be line 13.

Synopsis of Original Bill

House Bill 384 makes amendment changes relating to higher education to include faculty information in the annual New Mexico Higher Education (NMHED) accountability report and appropriates \$5,000,000 from the General Fund to NMHED for expenditures in FY08 for part-time faculty salary increases and to initiate group insurance benefits for three individuals.

**FISCAL IMPLICATIONS**

The appropriation of \$5,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

HED points out that it is unsure of the total fiscal impact for part-time faculty salary increases and for the inclusion of group insurance benefits for part-time faculty. HED additionally indicates that \$5,000,000 may not cover the actual costs initially or in future years as costs continue to escalate.

HED would be the administrator for these funds and indicates that additional staffing, not provided for in this bill, may be required to support additional data collection and analysis for this request.

**SIGNIFICANT ISSUES**

HED indicates that its annual accountability report, *The Condition of Higher Education*, requires all public post-secondary institutions to report information on student progress and success; student access and diversity; affordability and costs of educational services; and public and community service by the institution.

HB384 proposes to change Section 1. Section 21-1-26.7 NMSA 1978 (being Laws 1990 (1st S.S.), Chapter 4, Section 2, as amended) to establishing faculty information reporting requirements for all public post-secondary institutions. The amendment proposes the following information be reported to HED annually for inclusion in the report:

Faculty diversity, orientation, evaluation, compensation, and benefits practices, including:

- number and percentage of part-time and full-time faculty by ethnicity and gender
- number of vacant positions posted, average number of applicants for each position and percentage of applicants interviewed for full-time and part-time faculty positions
- percentage of full-time and percentage of part-time faculty receiving an annual performance evaluation that includes peer review and a meeting with a supervisor
- list of dates and locations for formal orientation sessions for full-time faculty and a list of dates and locations for formal orientation sessions for part-time faculty
- per-credit-hour pay rate for full-time instructors or lecturers and per-credit-hour pay rate for part-time faculty
- percent salary increase for full-time faculty and percent salary increase for part-time faculty
- description of the institution's policy for offering benefits to full-time faculty and to part-time faculty.

This data is necessary in order to conduct any analysis of the salary increases necessary for part-time faculty and to assess the financial impact of providing benefits to these individuals.

HED indicates that \$3,000,000 would be distributed to the public post-secondary educational institutions so that the institutions may begin to phase in part-time faculty compensation rates that on a per-credit-hour basis equal those of full-time instructors or lecturers.

The remaining \$2,000,000 would be distributed to the public post-secondary educational institutions so that the institutions may begin to phase in the provision of group insurance benefits for part-time faculty.

### **POSSIBLE QUESTIONS**

Why should appropriations be given to fund compensation increases and insurance benefits for part-time faculty prior to knowing how much is needed to fully fund this need?

GM/nt